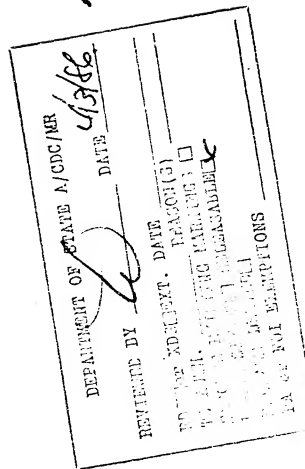


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-- THE JAPANESE WERE INTERESTED IN SUPPORTING THE PROJECTS, BUT HAD TWO CONDITIONS: THE GOVERNMENT OF PAKISTAN HAD TO ASK FOR THE PROJECTS; AND JAPAN HAD TO BE THE IMPLEMENTING AGENT AND SOLE SOURCE OF THE FOREIGN-BUGHT EQUIPMENT USED. VOLFGING WAS UNCERTAIN HOW THE WORLD BANK WOULD REACT, BUT SUGGESTED THAT THE JAPANESE CONDITIONS MIGHT BE ACCEPTABLE IF JAPAN WERE TO ASSUME FULL FUNDING FOR AND CONTROL OF ONE OF THE SUB-PROJECTS, SUCH AS REFORESTATION OR IRRIGATION.

-- THE GERMANS APPEARED PREPARED TO USE \$4.3 MILLION FROM THEIR DEVELOPMENTAL FUNDS FOR THE PROJECTS.

-- THE SWEDES, THE NORWEGIANS, THE DUTCH, THE SWISS AND THE AUSTRALIANS WERE ALL INTERESTED IN THE PROJECTS.

-- THE SAUDIS HAD DECLINED TO PROVIDE ANY SUPPORT, PREFERRING INSTEAD TO CONTINUE THEIR BILATERAL SUPPORT FOR REFUGEE RELIEF.

3. VOLFGING EXPLAINED THAT THE UNHCR/WORLD BANK PROJECTS WOULD COMPLEMENT THE EFFORTS OF THE PAKISTAN CONSORTIUM AND HE SAID THEY HOPED THAT CONSORTIUM MEMBERS WOULD BE LIMITED OFFICIAL USE LIMITED OFFICIAL USE

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ABLE TO EXPRESS SUPPORT FOR THESE PROJECTS AT THE APRIL 18 MEETING IN PARIS. RP DAS DEWEY ASKED IF THERE WOULD BE ANY NEED FOR IMMEDIATE CASH SUPPORT FOR THE PROJECTS SINCE THE MARCH 2 LETTER FROM THE WORLD BANK INDICATED THAT IMPLEMENTATION WOULD NOT BEGIN UNTIL OCTOBER. VOLFGING SAID THAT HE THOUGHT THAT FIRM DONOR PLEDGES BY JULY 1 WOULD BE ADEQUATE, BUT PROMISED TO CONFIRM THIS.

4. REFERRING TO THE IDEA PREVIOUSLY FLOATED IN ISLAMABAD BY THE UNHCR (REF A), DAS DEWEY TOLD VOLFGING THAT IT WOULD BE IMPOSSIBLE FOR THE REFUGEE BUREAU TO PERMIT OUR RUPEE CONTRIBUTION TO THE UNHCR TO BE LOANED TO THE WORLD BANK TO GET THE PROJECTS STARTED (REF B).

5. WHILE EXPRESSING HIS HOPE THAT THE UNHCR/WORLD BANK PROJECTS WOULD BE IMPLEMENTED, AID OFFICE DIRECTOR FISCHER AID/ASIA/PNS NOTED TO VOLFGING THAT ALL OF AID'S FY84 BUDGET FOR PAKISTAN HAD ALREADY BEEN ALLOCATED TO SPECIFIC PROJECTS. FISCHER ALSO EXPLAINED THAT IT WAS HIS UNDERSTANDING THAT THE GOP WOULD NOT PERMIT FUNDS ALREADY COMMITTED TO SPECIFIC PROGRAMS TO BE TRANSFERRED TO THE UNHCR/WORLD BANK PROJECTS AND THAT NO DECISION ON USG FUNDING FOR THE PROJECTS COULD BE MADE UNTIL THE GOP POSITION HAD BEEN CLARIFIED.

6. IN RESPONSE, VOLFGING NOTED THAT IT WAS DIFFICULT TO

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GET A FIRM GOP POSITION ON THIS ISSUE SINCE DIFFERENT PARTS OF THE GOVERNMENT SUPPORTED DIFFERENT RELIEF/DEVELOPMENT PROGRAMS. HE ASKED THE UNITED STATES TO URGE THE PAKISTANIS TO PERMIT THE TRANSFER OF PREVIOUSLY COMMITTED DEVELOPMENT FUNDS. FISCHER NOTED VOLFFING'S REQUEST, AND SAID THAT THE USG POLICY WOULD BE ANNOUNCED AT THE APRIL MEETING OF THE CONSORTIUM.

7. FOR ISLAMABAD. PLEASE CLARIFY GOP POSITION ON SELF-HELP PROJECTS AND ACCEPTABILITY OF "NON-ADDITIVE" LIMITED OFFICIAL USE
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***FUNDING SUPPORT. SHULTZ

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